

# AMITY REGIONAL SCHOOL DISTRICT NO. 5

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## EDUCATION FUNDING TESTIMONY- Appropriation Committee Public Hearing 2/21/17, 4 p.m.

The proposed funding levels and mechanisms in the Governor's budget are unprecedented. The Amity Regional School District worked extensively to put together a responsible budget that meets the educational needs of the students, the maintenance of facilities, and provides fair wages and benefits to our employees. Long-term planning is a critical piece of our budgeting process to avoid large changes in the member town allocations. The District annually includes a 3-year budget projection in its budget presentation and encourages feedback from the stakeholders to help guide our plans. We work closely with our member towns to limit the burden on the taxpayer. We have put forth a modest increase of 1.95% to meet contractual obligations and State mandates to best serve students. The cuts required to account for the proposed State funding levels thwarts all of these efforts and jeopardizes the educational process.

1. The ECS funding loss to our three member towns is almost 3.3 million dollars. The additional special fund costs sent to the towns instead of the regional school districts does not begin to repair the damage the loss of ECS will inflict. The relief provided to towns for this reduction, is an adjustment to MBR. This allows our member towns to reduce their education budget by over 3 million collectively. This relief in MBR mandate leaves the education budget exposed to the whims of each towns' Board of Finance for deep cuts.
2. The proposed special education funding formula eliminates payments to the regional districts for Excess Costs and collapses the grant into one Special Education Grant issued to the towns. This creates a \$1 million dollar revenue loss to Region 5 for the next fiscal year. The costs associated with this revenue are still very much a part of our budget and our only alternative source of funding is the member town allocations. We cannot by law maintain a reserve fund to make-up for this loss of revenue. The loss of revenue is fully borne by the taxpayer. The proposed increase of special education funds to the member towns is barely half for the District's special education population of the reimbursements projected under the current funding formula.
3. The transfer of the TRB payment to the State from the municipalities is reckless. Expecting the towns to cover a third of the pension costs for 2017-2018 with a mere few months' notice is irresponsible. This problem did not develop overnight and needs a well thought out plan to resolve. The governor has not put enough detail into this plan for towns and districts to plan for changes.

Amity Regional School District #5 must by law send its budget to referendum by May and the State budget will not be passed until at least June. Extending the District's deadline only creates more chaos that will involve non-tenured teachers receiving notices, possibly rebuilding student schedules, and hiring freezes until the final State budget is adopted. Boards of Education and municipalities are well into their budget process for the 2017-2018 fiscal year, incorporating the elements from established long term plans, negotiated contracts, and our own debt and pension obligations. Cuts and payments due back to the State of this magnitude cannot be absorbed so quickly. The burden that will either fall to the taxpayer to support local budgets for this lack of funding or the services that will be cut will drive residents out of the State.

Signed: *Theresa Lumas*, Theresa Lumas, Director of Finance & Administration